Ministry of Finance

Annual Report for 2013-14

saskatchewan.ca

Government of Saskatchewan

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Letters of Transmittal

Her Honour the Honourable Vaughn Solomon Schofield
Lieutenant Governor of Saskatchewan

May It Please Your Honour:

I respectfully submit the Annual Report of the Saskatchewan Ministry of Finance for the fiscal year ending March 31, 2014.

The Ministry's Annual Report demonstrates how Finance has contributed to the progress of Government Direction for 2013-14: Balanced Growth. We have continued work to ensure Saskatchewan's tax system remains competitive and attractive to individuals and businesses. The Ministry has partnered with others, including SaskBuilds, to explore innovative infrastructure financing, design and delivery.

The Government delivered improvements in health care, support for people with disabilities, seniors and students, as well as significant investments in infrastructure to support the growing province. All of this occurred while keeping expenses in check and without increasing debt, to ensure the Province's finances remain strong.

The 2013-14 Annual Report illustrates the progress of the Ministry of Finance in supporting the Government's decision making processes by providing sound advice, analysis and recommendations. On behalf of the Ministry of Finance, I am pleased to provide the 2013-14 Annual Report to the legislature and to the people of Saskatchewan.

Sincerely,

Ken Krawetz
Deputy Premier, Minister of Finance

The Honourable Ken Krawetz
Deputy Premier, Minister of Finance

Dear Sir:

I have the honour of submitting the Annual Report of Saskatchewan Finance for the fiscal year ending March 31, 2014.

The Ministry of Finance is a central agency that provides financial and policy advice to government and administers various tax bases on behalf of the Province. Finance also establishes the framework for proper accounting and administrative controls across Government and is responsible for the accurate reporting of budgeted and actual results.

As Deputy Minister of Finance, I take responsibility for our Ministry's public accountability and ensure that the information and content of the 2013-14 Annual Report is meaningful, complete and accurate.

Respectfully submitted,

Clare Isman
Deputy Minister of Finance

June 30, 2014

Introduction

This annual report for the Ministry of Finance (Ministry) presents the Ministry's results on activities and outcomes for the fiscal year ending March 31, 2014. It reports to the public and elected officials on public commitments made and other key accomplishments of the Ministry.

The 2013-14 Annual Report is presented in relation to the vision and goals that guided the development of the 2013-14 Plan.

Results are provided on publicly committed strategies, actions and performance measures identified in the 2013-14 Plan.

The report also demonstrates progress made on Government commitments as stated in the *Government Direction for 2013-14: Balanced Growth*, throne speeches and other commitments and activities of the Ministry.

The annual report demonstrates the Ministry's commitment to effective public performance reporting, transparency and accountability to the public.

Alignment with Government's Direction

The Ministry's activities in 2013-14 align with Government's vision and four goals:

Our Government's Vision

A strong and growing Saskatchewan, the best place in Canada – to live, to work, to start a business, to get an education, to raise a family and to build a life.

Government's Goals

- Sustaining growth and opportunities for Saskatchewan people.
- Improving our quality of life.
- Making life affordable.
- Delivering responsive and responsible government.

Together, all ministries and agencies support the achievement of Government's four goals and work towards a secure and prosperous Saskatchewan.

Ministry Overview

The Ministry of Finance ensures integrity in the management and control of Government's revenues, expenditures and assets. The Ministry is the lead ministry in balancing budgets, reducing the provincial debt, designing and administering fair and effective tax regimes, and ensuring accountability to the public and the Legislative Assembly for the use of public funds.

The Ministry of Finance plays a unique role in the affairs of the Province of Saskatchewan. As a central agency, the Ministry is responsible for advising the Government on financial implications associated with policy decisions that span across all ministries and agencies.

The Ministry, with direction from Treasury Board and Cabinet, assists in managing and controlling the finances of the Province to ensure appropriate use of public funds. The Ministry also analyzes and provides advice on tax policy matters, ensuring a competitive tax regime that supports the Government's spending and debt strategies.

These responsibilities are accomplished while maintaining a close working relationship with the federal government, provincial governments across the country, and other government bodies within the province to effectively address financial issues of mutual concern.

The Ministry of Finance is responsible for receiving the majority of revenues for the Government of Saskatchewan. These include revenues from taxation, transfers from government entities, such as the Crown Investments Corporation of Saskatchewan, and transfers from the federal government. Payments are disbursed through the Ministry to fund public services such as health care, education and road maintenance.

The Ministry also provides services directly to the public by administering provincial tax programs, including the Provincial Sales Tax, and undertaking communication initiatives to keep the public informed about finance-related issues.

Finance's full-time equivalents (FTE) budget for 2013-14 was 319.4 compared to an actual FTE utilization of 313.4. The variance of 6.0 FTEs was mostly due to vacancy management.

Staff are primarily located in Regina, with regional offices in Saskatoon and Yorkton.

Core Business Areas

The Ministry provides the Minister of Finance, Treasury Board, Cabinet, the Government and the public with information, analysis, advice and services in eight core business areas.

1. Budget Analysis/Tax Policy

The Ministry, through the Budget Analysis Division, supports effective government decision making by providing up-to-date information, policy analysis and advice to the Minister of Finance, Treasury Board, Cabinet and Government ministries.

Economic and Fiscal Policy Branch, along with the Saskatchewan Bureau of Statistics, provides the Government with updates on the Province's revenue, expense and debt position, reports on provincial and national economic indicators, and publishes quarterly financial reports.

Treasury Board Branch (TBB) leads the budget development process, supporting ministries and agencies in their expenditure reviews and providing economic and social policy advice to Government as it makes resource allocation decisions.

Taxation and Intergovernmental Affairs Branch analyzes and provides advice on tax policy matters, ensuring a competitive tax regime that supports the Government's spending and debt strategies. This branch is also responsible for working with the federal government on programs such as Equalization, the Canada Health Transfer (CHT), the Canada Social Transfer (CST), the Canada Pension Plan (CPP), fiscal arrangements concerning First Nations in Saskatchewan and other federal-provincial programs.

2. Comptrollership/Financial Management

The Ministry assists the Legislature and the Government in controlling and accounting for the receipt and disposition of public money.

Through the Provincial Comptroller's Office, the Ministry develops and maintains the government-wide revenue and expense systems and ensures that effective financial management and accounting procedures are in place. It also prepares and publishes financial accountability reports, including the Public Accounts. The Ministry ensures that ministries maintain appropriate financial and management controls and properly account for their revenues and expenses. This office also provides accounts payable and travel expense claim processing for Executive Government.

3. Treasury and Debt Management

The Ministry, through the Treasury and Debt Management Division, borrows to meet the funding requirements of the Government, including Crown corporations and other government agencies. The division manages the provincial debt and the cash position of the General Revenue Fund (GRF). The division also provides an investment management service for various funds administered by the Government, Crown corporations and other agencies.

4. Revenue Operations

The Revenue Division administers several provincial government revenue and tax rebate programs. This work involves identifying and collecting tax revenues, conducting audits, issuing tax refunds and providing information related to tax and rebate programs. Taxes administered by the division include Provincial Sales Tax, Fuel Tax, Tobacco Tax, Liquor Consumption Tax, the Resource Surcharge, insurance premium taxes and various other taxes.

The programs administered by the Revenue Division include the following:

Tax Information Services Program

- Provides tax information and instruction to taxpayers and the general public to encourage voluntary compliance of the various tax statutes administered by the Ministry.

Audit Program

- Conducts audits to ensure tax is properly collected and remitted and to ensure tax is paid on consumer goods. The majority of the audits conducted deal with Provincial Sales Tax.

Revenue Processing

- Provides the processing mechanism for all taxes administered by the Ministry, including maintenance of the tax roll and processing and recording tax revenue.

Collection and Enforcement Program

- Carries out compliance activities, including following up on delinquent returns, collecting outstanding account balances and conducting inspections.

5. Government Performance Planning, Measuring, and Reporting

Through the Planning, Accountability and Reporting Branch (PAR), the Ministry leads efforts to improve strategic planning, budgeting, performance measurement and reporting practices across Government. PAR works closely with TBB and with ministries to develop and implement a "managing for results" approach across Government, to build capacity for improved management practices, and to provide analysis and advice to Treasury Board.

6. Personnel Policy Secretariat

Through the Personnel Policy Secretariat (PPS), Finance provides support and advice to the Cabinet Sub-Committee on Public Sector Bargaining, client employers and government ministries with respect to the management of collective bargaining and compensation activities. PPS also provides general human resource policy advice on initiatives of the provincial public sector, and facilitates the integration of public sector compensation strategies into planning and budgeting processes.

PPS provides advice on collective bargaining and compensation for approximately 62,000 public sector employees in Executive Government, Crown corporations, boards and agencies, the health sector, and the education sector (K-12, SIAST, and regional colleges).

7. Central Management and Services

Central Management and Services provides direction, guidance and support for the Ministry's internal operations and client agencies. This work includes executive management and the management of communications, financial services, procurement, information technology, security and facilities.

8. Pension and Benefits Administration

Finance, through the Public Employees Benefits Agency, (Agency) administers pension and benefit programs for employees of Executive Government, most Crown corporations and government funded bodies.

As part of its mandate, the Agency ensures that pension and benefit plans are administered in accordance with legislation and the prevailing governance system. Pension and benefit plan design is reviewed regularly to ensure that the needs of plan members and employers are addressed. An annual report is prepared and tabled for each of the pension and benefit plans under the Agency's administration.

Progress in 2013 - 14

Government Goal: Growth

The Ministry of Finance supports Government's goal of sustaining growth and opportunities for Saskatchewan people.

Strategy - A Competitive Tax System

Key Actions & Results

Review provincial tax policies to ensure the tax system is fair, adequate, and competitive.

- This work is ongoing with analysis and advice brought forward to Treasury Board and Cabinet during each budget development cycle.
- Several initiatives were announced in the 2014-15 Budget, including maintaining the special provincial income tax reduction for credit unions, adjusting the provincial dividend tax credit for non-eligible dividends and simplifying regulatory license fees for the oil and natural gas industry.

Lower the general corporate tax rate from 12 per cent to 10 per cent by 2015.

- As per the Plan for Growth commitment to proceed with the reduction when affordable and sustainable within a balanced budget, this action will be revisited during the preparation of the 2015-16 Budget.

Continue to pursue business tax competiveness to ensure Saskatchewan remains one of the best places in Canada to start and grow a small business.

- The 2014-15 Budget announced that the special income tax reduction for credit unions will be maintained, in recognition of the importance of credit unions in providing financing to small and medium-sized businesses and to the overall provincial economy.
- The 2014-15 Budget also announced improvements and enhancements to regulatory service levels for the province's oil and natural gas industry, as well as the simplification of existing licensing fees for this industry.

Continue to pursue personal income tax competitiveness.

- The 2014-15 Budget announced an increase in the provincial dividend tax credit on non-eligible dividends to avoid an unintended increase in provincial income taxes on these dividends.

Identify opportunities to facilitate corporate presence and private-sector economic growth by introducing new growth non-refundable tax credits to attract investment, with an initial focus on non-refundable tax credits to encourage capital investment in the province's manufacturing and processing sectors.

- The Ministry continues to work with the Ministry of the Economy to examine opportunities for the application of new-growth tax incentives in an equitable manner.

Monitor Saskatchewan's tax system, including credits and incentives, to ensure it is effectively contributing to economic growth and making Saskatchewan a competitive place to start and grow a business by facilitating business attraction and investment expansion.

- The Ministry has completed program reviews of the Employees' Tools Tax Credit, the Manufacturing and Processing (M&P) Investment Tax Credit and, in conjunction with Saskatchewan Housing Corporation, the Corporate Income Tax Rebate (CITR) for New Rental Housing. As a result of these reviews, the Government decided to maintain the Tools Tax Credit and the M&P Tax Credit and to extend the sunset date of the CITR to December 31, 2014.

Performance Measure & Results

Income and Sales Taxes Paid by Representative Taxpayers

Saskatchewan's tax levels for representative taxpayers provide an indication of the amount of after-tax or disposable income available to residents. Declining tax levels are therefore suggestive of improvements in the relative prosperity of residents. A negative value indicates that refundable tax credits exceed taxes payable.

Saskatchewan Income and Sales Taxes Paid by Representative Taxpayers

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single parent family earning $25,000	$382	$176	$20	($177)	($128)	($168)	($182)	($178)	($187)
One-income family earning $50,000	$4,001	$3,679	$2,207	$2,098	$1,858	$1,471	$1,277	$1,186	$1,117
Two-income family earning $75,000	$6,516	$6,096	$4,710	$4,601	$4,571	$4,117	$3,965	$3,923	$3,874

Source: Ministry of Finance, Tax Simulation Models

The calculations upon which the performance measurements are based are performed by the Ministry using internal tax simulation calculations. Each of the measures is based on determination of combined provincial income and sales taxes payable by representative family profiles.

For each family profile, provincial income taxes are calculated based on the following assumptions:

- each family has two dependent children;
- for the two-income family, one spouse earns 60 per cent of the total income and the other earns 40 per cent;
- the single parent family and the two-income family claim $3,000 in deductible child care expenses; and,
- each family claims available basic personal exemptions, dependent child credits and credits for Canada Pension Plan and Employment Insurance contributions.

The Provincial Sales Tax is calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The refundable Saskatchewan Low-Income Tax Credit is also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the fairness of the provincial tax system.

Interprovincial Tax Comparisons for Selected Average Family Profiles.

Saskatchewan's interprovincial ranking with respect to the tax levels of representative taxpayers is indicative of the competitiveness of our tax system. This measure can be significantly impacted by tax changes initiated in Saskatchewan and by tax changes occurring in other provinces.

The calculations upon which the performance measurements are based use the same methodology as described in the measure examining income and sales taxes paid by representative taxpayers.

- Quebec's income tax calculations are adjusted for the child care expense tax credit and the 16.5 per cent federal tax abatement.
- Provincial sales taxes are calculated based upon average family expenditure baskets from the Survey of Family Expenditures in 2010 (Statistics Canada). The sales tax base in each province is identified from the enacting legislation, with total expenditures adjusted to reflect Saskatchewan consumption patterns. Provincial sales taxes are then estimated based on taxable expenditures in each province.
- Refundable provincial income tax credits designed to reduce the impact of income and sales taxes are also incorporated into the calculations.

Reductions to Saskatchewan's sales and income taxes have significantly improved the competitiveness of the provincial tax system.

Saskatchewan's Tax Competitiveness Rankings for Representative Taxpayers

	2006	2007	2008	2009	2010	2011	2012	2013	2014
Single parent family earning $25,000	3rd	3rd	2nd	2nd	2nd	1st	2nd	2nd	2nd
One-income family earning $50,000	4th	3rd	2nd	2nd	2nd	2nd	2nd	2nd	1st
Two-income family earning $75,000	4th	4th	3rd	3rd	2nd	2nd	2nd	2nd	2nd

Source: Ministry of Finance, Tax Simulation Models

Strategy – Infrastructure and Growth

Key Actions & Results

Work with SaskBuilds, ministries and others to: drive innovation in infrastructure financing, design and delivery, including public-private relationships; and, facilitate investment in the infrastructure needed to support health, education and quality of life priorities.

- Four P3 projects related to infrastructure are currently in the review stage. Additionally, the Province is proceeding with the Sweet Dreams "social impact bond", an innovative funding arrangement to operate a supported living home for at-risk single mothers.

Invest $2.5 billion over the next three years in infrastructure.

- Government remains on track to meet the Plan for Growth commitment to invest $2.5 billion in infrastructure over a three-year period (between 2013-14 and 2015-16).

Facilitate improved infrastructure planning by developing options to release a capital plan for the next fiscal year each fall.

- Work is continuing to assess the information requirements and availability to develop and release a capital plan in the fall of each year.

Strategy – Sustainable Fiscal Management

Key Actions & Results

Ensure expenditures align with Government's economic and social priorities, are adequately resourced, and sustainable.

- All ministries were required to develop plans that align with Government's vision, goals, commitments and priorities.
- Steps were taken to align expenditures with Government priorities and to ensure that Government commitments and other funding priorities were managed within available resources.

Provide fiscal policy options for continued balanced budgets and segment the Growth and Financial Security Fund so that the security component maintains approximately $500 million and future additional transfers from the GRF accrue to the growth component

- Options were provided to support achievement of a balanced Core Operational Plan for 2014-15.

Monitor progress on reducing Government general debt to half of its March 31, 2008 level by March 31, 2017.

- Government general debt met the March 31, 2014 target of $3.8 billion that was identified in the 2013-14 Budget. Continued monitoring of progress toward to the March 31, 2017 goal will occur.

Monitor and report on the size of the public service relative to the Saskatchewan population and facilitate Government's interest in public service renewal.

- The size of the public service was monitored using Full Time Equivalent (FTE) forecasts submitted by ministries at mid-year and third-quarter. The Ministry has reported on the size of the public service as a percentage of the population for the last six years, using 2007-08 as the base year. For 2013-14 the public service was 1.05 per cent of the population.

Provide guidance and advice to promote the use of a market based compensation approach to ensure settlement of competitive collective agreements.

- All public sector and quasi public sector employers have had some success in implementing market based/ market competitive concepts in collective agreement settlements.

Continue to work with ministries to improve planning, budgeting and reporting.

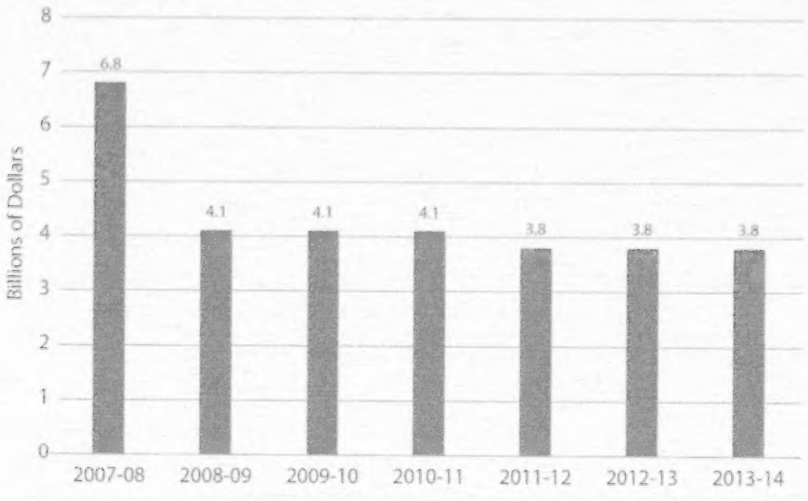
- The Ministry provided guidance and support to ministries and agencies to improve demonstration of alignment of Ministry plans to Government priorities.
- The Ministry led a project team that recommended improvements to the planning, budgeting and reporting process and outcomes. Implementation of the recommendations will continue through 2016-17.

Performance Measure & Results

Government General Debt

At the end of 2013-14 Government General Debt was $3.8 billion.

Government General Public Debt



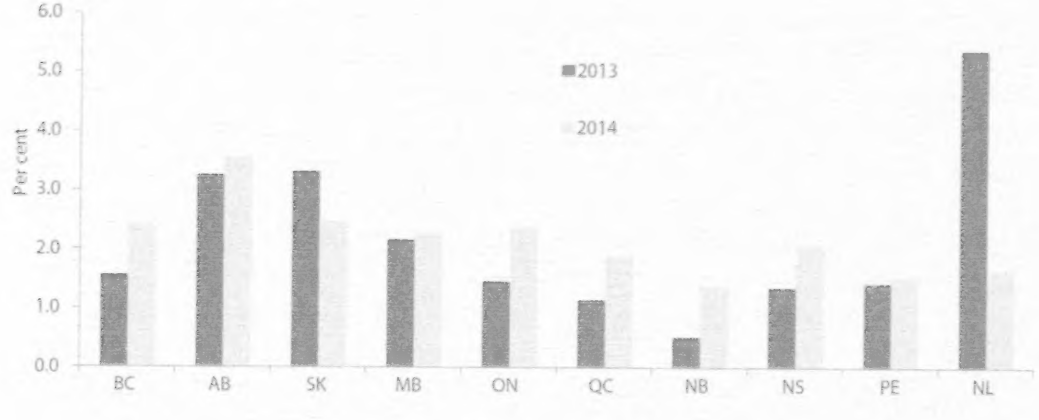
Source: Ministry of Finance

Private Sector Forecasts of Real GDP Growth

The Ministry closely monitors several economic, fiscal and demographic indicators. Private sector forecasts of real GDP growth show how the private sector expects the Saskatchewan economy to perform relative to other provincial economies. Percentages considered here are the average of private sector forecasts.

Private sector forecasters, on average, expect Saskatchewan real GDP to grow by 3.2 per cent in 2013 (second highest growth among provinces) and 2.4 per cent in 2014 (second highest growth among provinces).

Private Sector Forecasts of Real GDP Growth



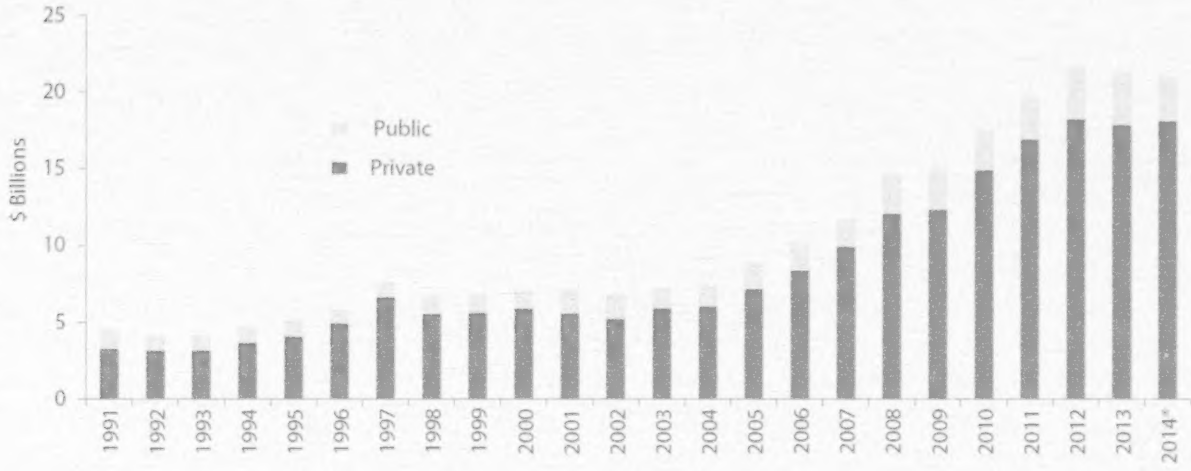
As of February 6, 2014
Source: IHS Global Insight, Conference Board of Canada, Centre for Spatial Economics and all of the major Canadian banks.

Total Capital investment in Saskatchewan (Public and Private Investment)

Capital spending in the province demonstrates confidence in Saskatchewan as a place to invest and helps to provide for future economic growth. These data originate from Statistics Canada's Private and Public Investment Intentions Survey, an annual survey that collects data on historical expenditures as well as investment intentions for the coming year.

Total capital investment in Saskatchewan reached $21.6 billion in 2012, a new record for the province. Though investment spending fell slightly in 2013 to $21.3 billion and is expected to fall by another 1.9 per cent in 2014, total capital investment in the province remains exceptionally high by historical standards, having grown by roughly 45.6 per cent in the period 2008 through 2013.

Total Capital Investment in Saskatchewan (Public and Private Investment)



*Source: Statistics Canada * 2014 figure represents planned expenditures*

Public Service as a Percentage of the Saskatchewan Population

The Growth and Financial Security Act (GFSA) requires Treasury Board to monitor the size of the public service and determine if it is growing or diminishing as a percentage of the Saskatchewan population. This measure allows Treasury Board to undertake initiatives with respect to controlling the size of the public service while balancing Government priorities such as improving programs and providing quality services to the public at the lowest cost to the taxpayer. The publication of this measure in the Ministry of Finance's Ministry Plan and Annual Report supports Government's commitment to increased transparency and accountability.

When compared to the 2007-08 baseline, the year in which the monitoring requirements were introduced through the GFSA, the public service has diminished as a percentage of the population each consecutive year from 1.24 per cent in 2007-08 to 1.05 per cent in 2013-14.

Public Service as a Percentage of the Saskatchewan Population

	2007-08 (Base Year)	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Population at July 1 [1]	1,002,048	1,017,346	1,034,782	1,051,425	1,066,349	1,087,546	1,108,303
Public Services FTEs [2]	12,405	12,284	12,400	11,967	11,863	11,768	11,644
Public Service as percentage of population	1.24%	1.21%	1.20%	1.14%	1.11%	1.08%	1.05%

[1] *Revised population numbers from Statistics Canada, as of July 1 of the fiscal year. This data is available on the Bureau of Statistics website www.stats.gov.sk.ca*

[2] *The Growth and Financial Secutiry Act definition of public service: FTEs for employees not employed under The Public Service Act, 1998 are excluded.*

Strategy - Effective Treasury Operations

Key Actions & Results

Service outstanding debt ensuring the timely and accurate payment of interest and principal and reduce outstanding debt as directed.

- Debt servicing is a continuous process. During 2013-14, all outstanding debt was serviced accurately and on the correct dates.

Meet reporting requirements of international regulatory agencies through timely development and filing of financial disclosure documents.

- The Ministry filed and has complied with all requirements of the U.S. Securities and Exchange Commission, the National Storage Mechanism in the United Kingdom and the Swiss Stock Exchange.

Implement the transfer of budget surplus funds in accordance with The Growth and Financial Security Act.

- Transfers of funds between the Growth and Financial Security Fund (GFSF) and the GRF are governed by *The Growth and Financial Security Act*. All transfers required by the legislation have been completed.

Monitor domestic and international capital markets to identify and take advantage of opportunities to raise capital to meet Government and Crown requirements.

- The monitoring of capital markets is a continuous process. During 2013-14, Finance fulfilled the borrowing needs of Government and Crown corporations.

Maximize the return on investment of sinking fund and GFSF monies through sound investment decisions carried out pursuant to the investment policy guidelines of the two funds.

- All GFSF and sinking fund transactions and positions have been in compliance with approved investment guidelines.
- Opportunities to maximize returns are realized to the extent possible based on market views and availability of investment products.

Provide cash management services for the GRF, Crown corporations, and other government agencies.

- The Ministry ensured that the short-term cash requirements of Crown corporations and government agencies were met; and, the Province was able to fund its ongoing cash requirements by successfully identifying shortfalls and surpluses on a timely basis.

Maintain good working relationships with credit rating agencies to ensure accurate information is utilized in the analysis of the Province's creditworthiness.

- Annual post-budget briefings are undertaken with all credit rating agencies.
- All credit rating agencies are kept up-to-date on the changing fiscal and economic picture of the Province.
- In 2011, Standard & Poor's upgraded the Province's credit rating to AAA, and it has remained at that level. This is the first time in the Province's history that it has had a AAA rating.
- In 2012, Moody's Investors Service improved the outlook on Saskatchewan's credit rating to Aa1(positive). Dominion Bond Rating Service affirmed the Province's credit rating of AA. There was no change in these ratings during 2013-14.

Performance Measure & Results

Government Debt as a Percentage of Gross Domestic Product (Debt-to-GDP ratio)

One facet of the Government's financial plan is to manage debt levels. The Ministry, as well as external investors and agencies, closely monitor the Province's debt-to-GDP ratio and credit ratings. A decreasing debt-to-GDP ratio indicates a declining drain on economic resources to service and repay debt and an associated increase in the fiscal flexibility of the Province. Investor confidence is influenced by this ratio because it provides a measure of the Province's debt relative to the size of the economy.

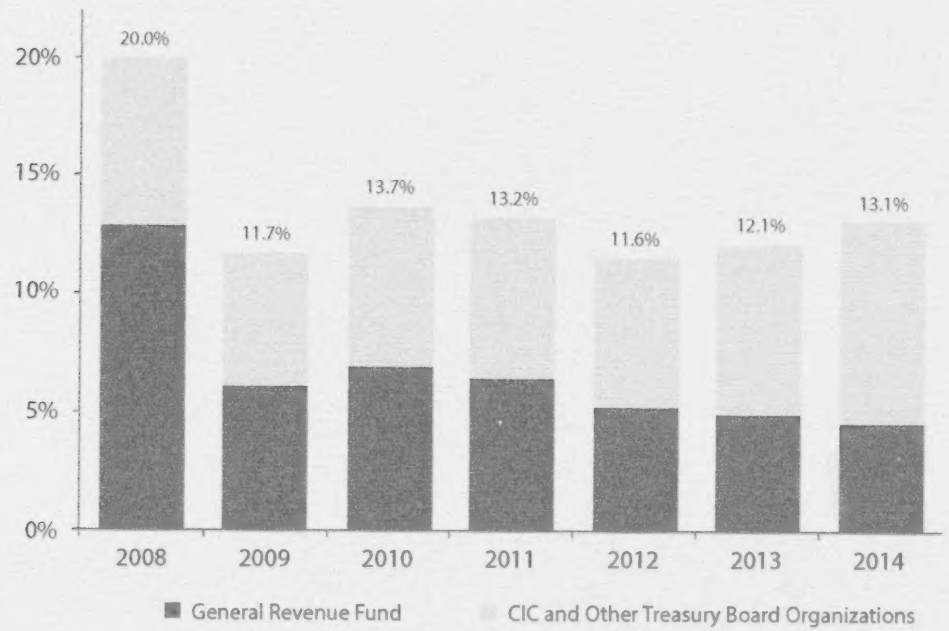
GDP is influenced by the state of the global, North American and Canadian economies. The debt-to-GDP ratio is calculated by dividing GDP for the previous calendar year by the level of debt at March 31. Debt is gross debt net of sinking funds. Gross debt is the amount owed directly to lenders and sinking funds are amounts set aside for the repayment of that debt.

Debt has two components:

- GRF debt – amounts borrowed to finance government programs; and
- Debt of Crown corporations and other government entities.

GRF debt has declined significantly since 2008, however the debt of Crown corporations and other government entities has increased in recent years.

Debt as a % of GDP as at March 31



Government Credit Ratings

A credit rating is an independent evaluation by a recognized, objective agency of a borrower's willingness and ability to service and repay debt. Investors rely on credit ratings when making investment decisions. Many investors have guidelines that are based on credit ratings (e.g., must purchase bonds rated "AA" or higher). Therefore, a borrower's credit rating will impact the availability of credit, both in terms of the number of investors and the pool of funds it can tap. Typically, the higher the credit rating, the lower the risk to the investor and the less the issuer will have to pay in borrowing costs.

Saskatchewan's credit rating compares well when ranked against other Canadian provinces. All credit rating agencies now rate the Province at the "AA" level or above. This is extremely important to international investors, many of whom have a "AA" credit rating requirement for investment.

Government Credit Ratings

	Rating Agency		
Jurisdiction	**Moody's**	**Standard & Poor's**	**DBRS**
British Columbia	Aaa*	AAA	AA (high)
Alberta	Aaa	AAA	AAA
Saskatchewan	**Aa1****	**AAA**	**AA**
Manitoba	Aa1	AA	A (high)
Ontario	Aa2	AA-*	AA (low)
Quebec	Aa2	A+	A (high)
New Brunswick	Aa2	A+	A (high)
Nova Scotia	Aa2	A+	A (high)
Prince Edward Island	Aa2	A	A (low)
Newfoundland and Labrador	Aa2	A+	A
Canada	Aaa	AAA	AAA

Credit Ratings as of February 3, 2014 ** Negative outlook* *** Positive outlook*

Strategy - Optimized Revenue to the Province

Key Actions & Results

Working with provincial agencies to annually review own-source budgetary revenues for which they are responsible.

- This work is ongoing with analysis and advice brought forward to Treasury Board and Cabinet during each budget development cycle.
- During 2013-14, reviews of various fees and charges were undertaken as part of the 2014-15 budget development process. These reviews led to the elimination of the small business loan application fee, the introduction of a one-day angling license, the consolidation of guided moose-hunting license fees, increases to hunting and fishing offense fines, increases to subdivision examination fees, increases to electrical and gas licensing fees, an increase to the fee-for-service paper filing fee, increases to public guardian and trustee fees, the introduction of athletic commission fees and fines, the introduction of booster seat fines and increases to various business licensing fees.

Promote compliance with Saskatchewan's tax programs through quality service, taxpayer education and responsible, effective enforcement.

- The Ministry continues to provide quality service and accessible, reliable information as committed to in the Taxpayer Service Commitments and Standards Code. In 2013-14, the Ministry developed and implemented a provincial sales tax (PST) online registry that allows taxpayers to verify that the businesses they are dealing with have an active PST vendor's licence or registered consumer number. This service is available 24 hours a day, 7 days a week.

Effectively enforce Saskatchewan's tax programs using a comprehensive risk-based audit selection process to allocate audit resources.

- The monitoring of audit results and improvement of risk-based audit selection is a continuous process. During 2013-14, additional efficiency opportunities were identified to further automate file selection and refine workload management processes.

Use proactive outreach and education to improve voluntary tax compliance for businesses identified as low to medium tax risk.

- In 2013-14, a proactive compliance strategy was piloted that assists businesses to comply with their tax obligations. Under the strategy, compliance officers proactively contact and meet with business owners to review the proper application of tax to their business transactions and provide education to promote voluntary compliance. This strategy compliments ongoing work to provide tax inquiry services, tax information presentations, tax publication subscription services, and written rulings.

Performance Measure & Results

Benefit-Cost Ratio of Audit and Compliance Activities

Benefit-Cost Ratio of Audit and Compliance Activities

Fiscal Year	Return on Investment	
	Target	Adjusted Actual
2013-14	380%	587%

Source: Ministry of Finance, Revenue Division, Statistical Reports

Finance has increasingly placed more emphasis on promoting voluntary compliance of consumption tax statutes through education and outreach. The audit program remains an important tool to promote compliance with the Province's tax laws and to ensure equity and fairness for all businesses operating in Saskatchewan.

The benefit-cost ratio (BCR) measures the value of audit and compliance activities in relation to the costs of performing these activities. In 2013-14, Finance achieved a BCR of 587 per cent, above the target of 380 per cent.

Strategy - Strengthened Strategic Partnerships

Key Actions & Results

Continue to discuss with interested First Nations about Tax Administration Agreements where the Province would relinquish the authority to levy the Liquor Consumption Tax on-reserve and allow the First Nations to levy its own fee on liquor sales on-reserve. These Agreements require the First Nations fee to be in the same form and level as levied off-reserve by the Province under The Liquor Consumption Tax Act, with all on-reserve revenue going to the First Nations.

- In 2007, an agreement was reached between the Province and a First Nations Band that replaces the liquor consumption tax (LCT) with a Band-imposed fee.
- In 2009-10 the Province entered into an additional four agreements with First Nations Bands to replace the LCT with of a Band liquor consumption fee (LCF).
- During 2013-14, no additional agreements were entered into with First Nations.

Participate in ongoing discussions with federal, provincial and territorial governments on issues related to the major intergovernmental fiscal transfers in support of health care, postsecondary education and social programs.

- Finance acts as the Government's principal contact with the federal government on major intergovernmental fiscal transfers, including the Canada Health Transfer (CHT), Canada Social Transfer (CST) and Equalization. Although the federal government holds consultations with provinces and territories on an ongoing basis, no formal agreement with the provinces or territories is required.
- In 2013-14, Saskatchewan received $1.357 billion in federal funding in support of health and social programs through the CHT, CST and the Wait Times Reduction Transfer. Saskatchewan did not receive Equalization.

Work with ministries and the federal government to develop fair and effective federal/provincial agreements that address common interests.

- This work is intended to ensure that the financial implications of federal-provincial agreements are properly accounted for and have received appropriate approval. Reviews of these agreements are reported to the Minister of Finance throughout the year. During 2013-14, approximately 45 federal-provincial fiscal agreements were reviewed and proceeded to Cabinet for approval.

Continue to review, with federal and provincial governments, Canada's current retirement income system. Specific actions include developing the regulatory legislation to implement Pooled Registered Pension Plans (PRPP) and continuing to consider various options for modest and targeted expansion of the Canada Pension Plan.

- Federal legislation to implement PRPPs became operational in January 2013.
- Provincial PRPP legislation (as well as legislation to allow the Saskatchewan Pension Plan to apply to become a PRPP administrator) was developed during 2012-13 and passed into law by the Legislature during the spring 2013 sitting.
- At their December 2013 meeting, Finance Ministers curtailed any further consideration of enhancements to the Canada Pension Plan. However, shortly thereafter, Ontario proposed a stand-alone Ontario Retirement Pension Plan. The Ministry of Finance will continue to monitor and evaluate the impact of these measures.

Provide analysis and advice in order to manage stakeholders' relationships throughout the public sector bargaining processes.

- PPS staff work with employers to assist in the development of mandate submissions as well as with employer negotiators to ensure adherence to approved mandates. Public sector employer cooperation in sharing collective agreement information and bargaining strategies is encouraged.

Government Goal: Responsive and Responsible Government

The Ministry of Finance supports Government's goal to deliver a responsive and responsible government.

Strategy - Accountable Financial and Performance Management

Key Actions & Results

Prepare timely, reliable, and relevant GRF financial statements and Summary Financial Statements (SFS).

Government's financial statements demonstrate accountability for the resources, obligations, and financial affairs for which the Government is responsible. Continued strong financial reporting through timely, reliable and relevant financial statements is essential to strong accountability.

Timeliness of financial statements contributes to Government's accountability.

- The Ministry prepared the GRF and Summary 2012-13 financial statements. Volume 1 was tabled on June 28, 2013, the fourteenth year in a row that it has been released by August 1.

Reliability of the financial statements also contributes to the Government's accountability. Financial statements with few (or no) audit qualifications are considered more reliable than those that have many.

- While the GRF remains an important component of the SFS, the Government announced a shift in focus to the SFS in the 2014-15 Budget. The GRF 2013-14 financial statements will not be prepared, audited or tabled. The SFS continue to receive a clean audit opinion.

Relevance of financial statements contributes to Government's accountability. Financial statements that comply with Public Sector Accounting Board (PSAB) standards are considered more relevant than those that do not.

- All PSAB recommendations have been implemented in the SFS.

Review and approve financial statements of Treasury Board Crowns and agencies.

- Financial statements of 107 entities were reviewed and approved before tabling; 95 were tabled on time (89 per cent).

Provide input into the activities of Canadian and international accounting standard setting bodies.

Accounting policies continue to evolve and have implications for the Government of Saskatchewan. Providing input into the activities of government accounting standard setting bodies ensures accounting policies result in relevant and reliable government financial statements.

- PSAB activities were closely monitored and the Provincial Comptroller's Office provided feedback to PSAB on documents issued for comment. The review of PSAB's conceptual framework, which contains the fundamental concepts upon which accounting standards are based, is a key area of focus. Other significant projects include revenue and assets.
- The Ministry continued to monitor international accounting standards, particularly those that may influence Canadian accounting practices.
- The Ministry is represented on the Public Sector Accounting Discussion Group, a group of financial statement preparers, auditors and users from across Canada that assists PSAB regarding issues arising out of the application of PSAB standards.
- The Ministry worked with representatives of the Chartered Professional Accountants Transitional Steering Committee and the Ministry of Justice on the establishment of the new legislation, *The Accounting Profession Act* (Act). The Act brings together the Institute of Chartered Accountants of Saskatchewan, the Certified Management Accountants of Saskatchewan and the Certified General Accountants of Saskatchewan into a single accountancy body called the Institute of Chartered Professional Accountants of Saskatchewan and regulates the accounting profession in Saskatchewan.

Ensure government-wide financial management policies and procedures are sound.

- Financial Administration Manual (FAM) policies and procedures were monitored and updated as required. FAM communicates to ministries and public agencies, policies, procedures and guidance necessary to support sound financial management and control of and accounting for public resources.
- The Ministry provided advice on financial management, accounting, and internal control issues. The Ministry supports ministries and provides direction as issues arise, and through regular processes, such as the review of draft legislation/regulations and Provincial Auditor reports.

Ensure government-wide accounting policies are in accordance with PSAB pronouncements.

- The Ministry continued implementation of accounting standards on financial instruments, foreign currency translation, and liabilities for contaminated sites.

Lead and support key components (planning, accountability and reporting) of Government's accountability framework.

- The Ministry provided direction, guidance and support to ministries and agencies throughout Government in planning, performance management and reporting efforts.

Explore opportunities that would increase efficiency and promote greater utilization of strategic plans to drive performance results.

- The Ministry led a project team that recommended improvements to the planning, budgeting and reporting process and outcomes. Implementation of the recommendations will continue through 2016-17. This work includes a Planning and Accountability Framework to guide work on these processes.

Oversee government-wide annual plans, performance measurement and annual reporting, including continuous improvement.

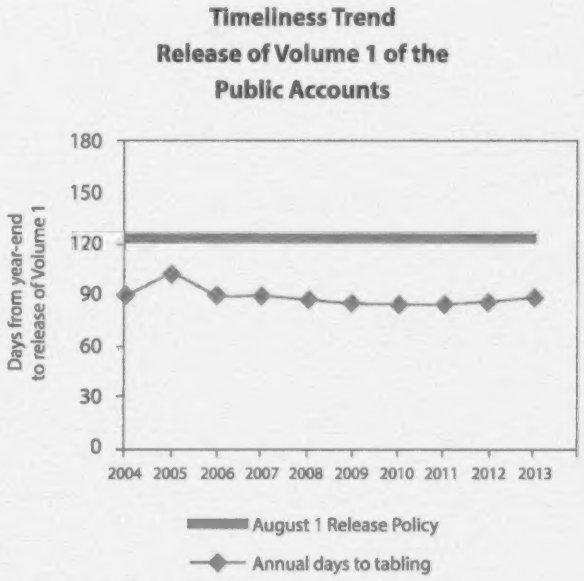
- The Ministry provided guidelines, templates and consultation for continuous improvement of annual plans, measures and annual reports. Continuous improvement opportunities identified are being pursued within the Planning and Accountability Framework.

Lead, coordinate and support the continued transformation of program review across government.

- The Ministry continued to drive progress in implementing program review process and value across government. The Ministry gathered feedback and provided direction, guidance and support to ministries and agencies to improve program review processes and results within ministries and agencies. Treasury Board was provided with two updates on progress to implementation and on highlights from successful implementation of program review results.

Performance Measure & Results

Timeliness of the Release of Public Accounts, Volume 1



Source: Saskatchewan Public Accounts

The Public Accounts are key financial accountability documents that are publicly released on an annual basis. The Public Accounts are prepared and tabled in accordance with *The Financial Administration Act, 1993* (FAA). The Ministry prepares and publishes the Public Accounts, pulling together information from ministries and other government organizations. Volume 1 contains the financial statements of the Government of Saskatchewan.

The timely reporting of Volume 1 demonstrates the Ministry's leadership for good governance, transparency and accountability across government. Under the FAA, the Public Accounts must be tabled on or before October 31. The Government has established a policy of tabling Volume 1 of the Public Accounts on or before August 1. For the last several years, the Government has been in a position to table Volume 1 in late June.

Percentage of Entities Meeting Tabling Deadline

Year	Percentage of Entities Meeting Tabling Deadline
2013-14	89%
2012-13	94%
2011-12	91%
2010-11	86%
2009-10	86%
2008-09	77%
2007-08	76%
2006-07	84%
2005-06	84%
2004-05	81%

Source: Legislative Assembly of Saskatchewan website

The financial statements of government entities are prepared pursuant to their enabling legislation. Pursuant to *The Tabling of Documents Act, 1991*, entities are required to table their financial statements within 120 days of their year-end. Continued strong financial reporting by government entities is essential to strong accountability.

The Ministry, on behalf of Treasury Board, provides approval of the form and content of the financial statements in advance of the tabling. Finance is proactive in ensuring government entities table their financial statements on time (e.g., clearly communicates tabling deadlines) and monitors compliance with tabling deadlines. Finance's role contributes to timely, reliable and relevant financial reporting by Treasury Board Crowns and agencies and demonstrates the Ministry's leadership for good governance, transparency and accountability across government.

The decrease in the percentage of entities meeting the tabling deadline was primarily due to addressing issues related to the application of new accounting standards by a few entities, resulting in a delay in the tabling of their financial statements.

Provincial Auditor's Assessment of Government's Accountability Systems

Provincial Auditor's Report	Satisfaction with processes and/or guidelines	Assessment of ministry plans and reports
2013 Report	N/A	N/A
2012 Report	N/A	N/A ***
2011 Report, Vol. 2, Ch. 26B	Yes	Improving
2010 Report	N/A	N/A ***
2009 Report, Vol. 3, Ch. 19	Improving	Improving **
2008, Vol. 3, Ch. 20	Partial	N/A
2007, Vol. 3, Ch. 9	Partial	N/A*

Source: Provincial Auditor's Reports, available online at www.auditor.sk.ca
**The Provincial Auditor's (PA) approach to assessing government's accountability system has differed over the years; from 2007 on, the PA's focus shifted to solely examine government's accountability system and processes.*
***In 2009, the PA assessed only a small sample of ministries but concluded that "public plans of ministries are improving".*
****In 2010, 2012, and 2013 a specific chapter on government accountability was not included in the Fall Report.*

The Ministry of Finance uses the Provincial Auditor's assessment of Government's accountability systems to gauge progress on the Ministry's efforts to promote accountable government. The table above shows that the Provincial Auditor's approach has changed over the years and a sample of ministry annual reports was not reviewed in each year.

In 2009, the Provincial Auditor's assessment was positive, indicating that government's overall approach to accountability was improving as were the individual ministry plans and annual reports. In the fall 2010 Report, the Provincial Auditor did not write a specific chapter on government accountability. This resulted in a lack of data for this performance measure in 2010.

The most recent assessment in the fall of 2011, the Provincial Auditor assessed the annual reports according to the PSAB Statement of Recommended Practice (SORP-2) principles for effective reporting. The Provincial Auditor concluded that the quality of the annual reports assessed had improved, were accessible on the website, linked to the Government's overarching direction document and, for the most part, reflected best practices. The Provincial Auditor also concluded that the guidelines provided by the Ministry of Finance "support quality reporting ... provided agencies with sound guidance ... (and) were generally consistent with best practices other than they did not expect agencies to include performance targets." The Provincial Auditor went on to recommend that the Ministry of Finance encourage ministries to disclose performance targets in their annual reports. As part of the Government of Saskatchewan Planning and Accountability Framework, ministries will be encouraged to disclose appropriate targets in their annual reports.

The Provincial Auditor did not include a specific chapter on government accountability in 2012 or 2013 reports.

Strategy - Efficient Financial Systems and Processes to Support Good Governance

Key Actions & Results

Assess the internal controls of the Government's financial systems and assist in the development and implementation of improvements where required.

The Ministry looks for significant deficiencies in financial programs/systems by conducting internal control reviews. A deficiency is an internal control weakness that adversely affects government's ability to safeguard its assets and record, process, or report financial data reliably.

- Ministry programs and payments were audited using a risk based approach. Ministries accepted and have implemented or are actively working on implementing all audit recommendations.
- The Ministry publicly reported on a quarterly basis losses of public money in ministries and Treasury Board Crowns.

Develop and deliver financial management fundamentals training for managers and employees to build financial management capacity in the public service.

- The Ministry continued to support the Public Service Commission's delivery of training for new employees on effective financial management and control practices.

Assess the MIDAS Support model to determine the best option to provide ongoing support for MIDAS and implement that model.

- Approval was received in 2013-14 to proceed with an alternate service delivery option for providing MIDAS support. The project is expected to proceed in 2014-15.

Provide accounts payable and travel expense claim processing services for Executive Government and continue to refine processes to maximize efficiencies.

- The first full year of providing centralized accounts payable and travel expense claim processing services for Executive Government was successfully completed in 2013-14.

Further expand the Government's purchase card program, including implementation of a one-card solution for purchasing and travel.

- Work continued on implementing a one card solution for purchasing and travel, and to increase purchase card usage across government.

Develop additional computer assisted audit processes to identify financial transactions that may not comply with laws, regulations and policies.

- The Ministry continued implementation of tests for continuously monitoring payroll transactions using computer assisted audit techniques.

Performance Measure & Results

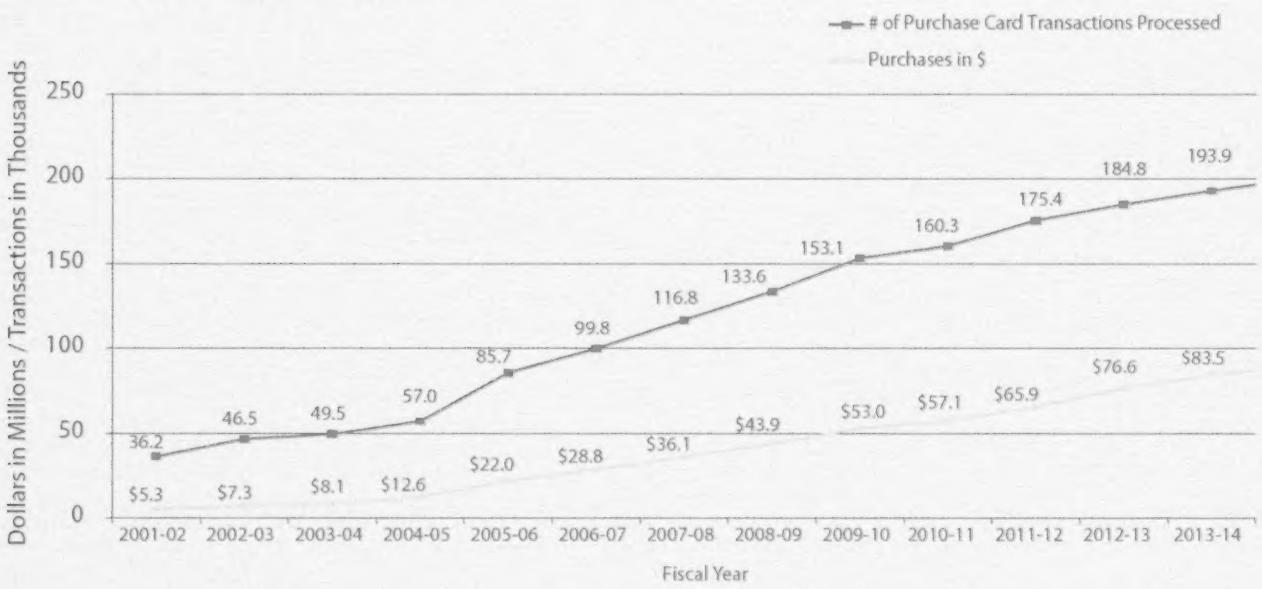
Purchase Card Usage in the Government

Purchase cards are a cost-effective way of making payments. Through the use of purchase cards, the Government is able to reduce administration and costs associated with the processing and payment of low dollar value purchases of goods and/or services up to a $10,000 per transaction limit.

The total number and dollar value of purchase card transactions provides a measure of the level of efficiency being achieved.

For 2013-14, the number of purchases reached 193,858 transactions totaling $83.5 million. This is a significant improvement from the inception of the purchase card program. The Ministry continues to work to improve the usage across government, which contributes to the best use of public funds.

Purchase Card Usage in the Government



Source: Ministry of Finance Statistical Reports

Strategy – Deliver Excellence in Service While Making the Best Use of Public Funds.

Key Actions & Results

Continue to achieve Public Service Renewal through focused efforts on core review, simplification, enterprise approaches, citizen centered service, and people management.

- The Ministry conducted and reported on six program reviews in 2013-14.
- The Ministry's LEAN committee developed a workplan to strengthen the utilization of LEAN across the Ministry.
- The Ministry conducted two value stream mapping events.
- The planning, budgeting and reporting process was an enterprise initiative focused on the needs of the customer, and also used LEAN methodology.
- Through the replacement of the revenue management system, the Ministry will be implementing process improvements that will improve service to 56,000 business and 32,000 farmers operating in Saskatchewan.
- The Ministry focused efforts in 2013-14 to enhance employee engagement including conducting a employee survey and improving internal communication.
- The Ministry participated, for the first time, in the Johnson-Shoyama Graduate School Internship Program.

Performance Measure & Results

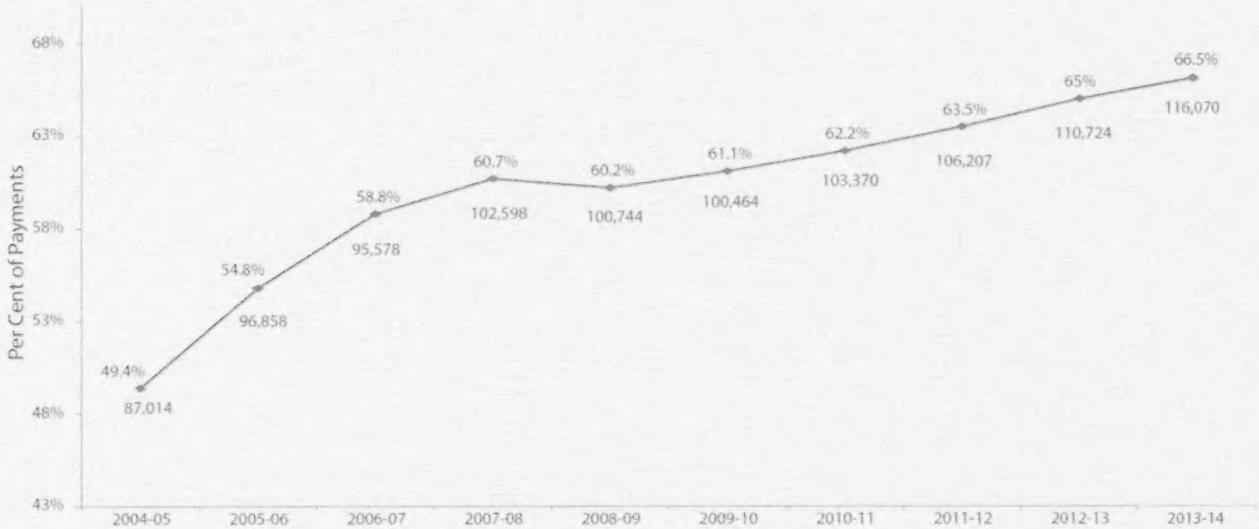
Percentage of Tax Payments Processed Electronically

The Ministry strives to provide excellent client services by ensuring that businesses have access to all electronic options for making tax payments. The percentage of tax payments processed electronically measures how well the Ministry is meeting its objective of streamlining regulatory compliance. Businesses that use electronic methods to make payments are able to save time and money on regulatory compliance and channel their resources to other activities. In addition, the Ministry realizes a reduction in the cost of processing payments when the tax return and payment are received electronically. The measure is determined from statistical reports generated from the main revenue system.

The Ministry continuously works with financial institutions to ensure that businesses are able to make tax payments through any of the financial institutions' electronic payment services that provide sufficient payee information. The percentage of tax payments processed electronically has grown over time, and efforts to promote the use of electronic services will continue. However, Finance has limited influence over this measure as many businesses have internal controls that only permit issuance of cheques and some businesses simply prefer to issue a cheque.

The percentage of tax payments processed electronically for 2013-14 was 67 per cent.

Percentage of Tax Payments Processed Electronically



Source: Ministry of Finance

Number of Farmers who Applied for Fuel Tax Exemption Permit Renewals Online

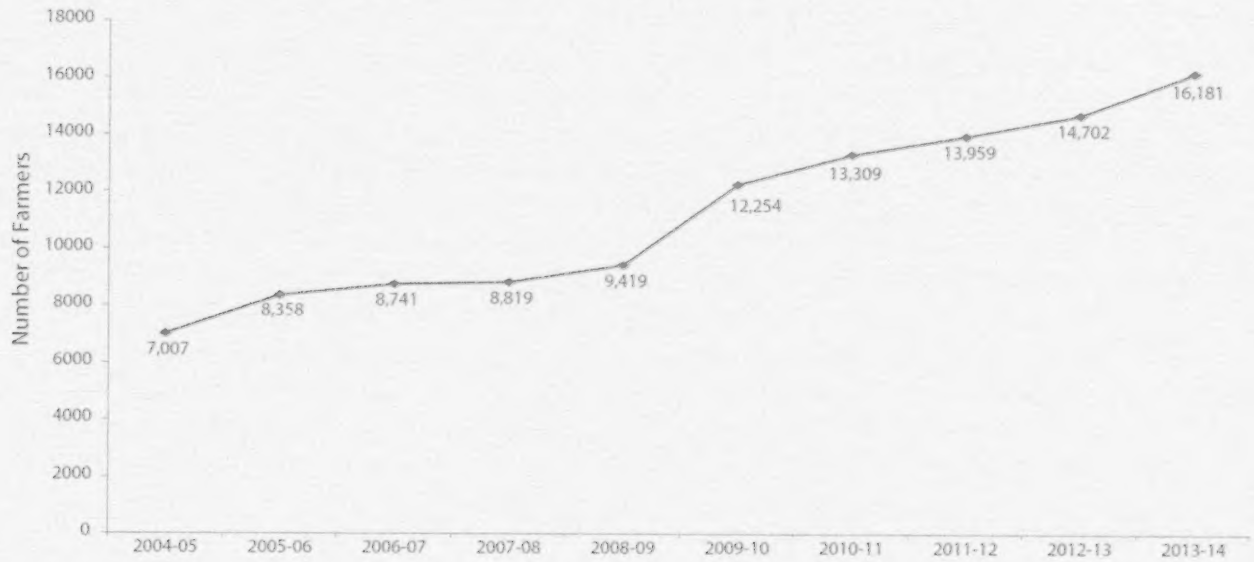
Saskatchewan Electronic Tax Services (SETS) offers farmers, commercial loggers, and trappers a secure, fast and convenient alternative to filing their fuel tax exemption permit renewal in paper format. The number of farmers that filed permit renewals online tracks Finance's progress towards easing tax compliance and reducing the regulatory burden.

As a result of a Lean project completed in 2012-13, recommendations were implemented to provide efficiencies in the administration of the Farm Fuel Program. Through the automation of manual processes and reallocation of resources, processing timeliness and client service have and will continue to improve.

The basis for reporting the number of farmers using SETS was changed from a fiscal year to a program year going back to 2009-10 to be consistent with prior years reporting and to avoid possible double counting of some farmers on a fiscal year reporting basis.

The Ministry continues to promote SETS as it is more convenient for program applicants and it reduces the cost of program administration. However, Finance has limited influence over this measure as some applicants do not have access to a computer with an Internet connection or simply prefer to mail in a completed application.

Number of Farmers that Applied for Fuel Tax Permit Renewals Online



Source: Ministry of Finance

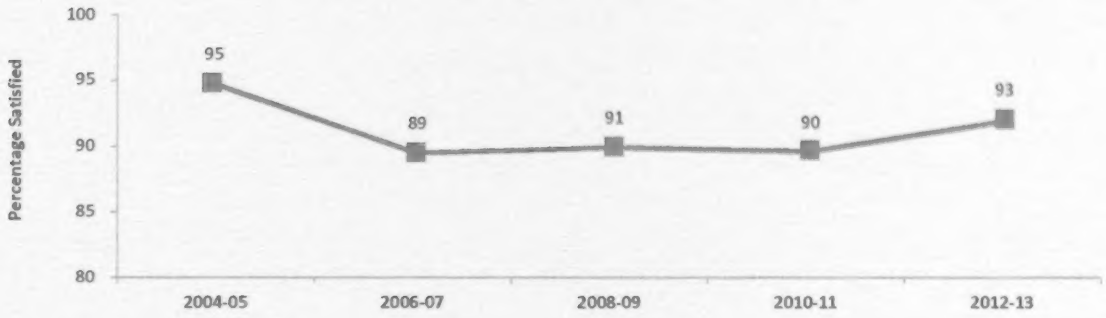
Client Satisfaction (of Businesses which Collect Taxes on Behalf of Government)

In 2002-03, the Ministry committed to conducting bi annual satisfaction surveys of businesses collecting taxes on behalf of the Government. This measures whether these clients are satisfied with Finance's quality of service and timeliness of responses, refunds and adjustments. This allows businesses to evaluate Finance's performance and helps Finance to determine potential improvements for the timeliness of responses, refunds and adjustments.

In 2012, surveys were sent to 532 businesses based on a random sample of businesses that collect Provincial Sales Tax, Fuel Tax, Tobacco Tax and Corporation Capital Tax.

The bi-annual client satisfaction survey will be conducted again in 2014-15 as a means of measuring client satisfaction.

Overall Client Satisfaction



Source: Ministry of Finance

Direct Deposit and Electronic Advice Usage for Supplier Payments

Continued improvements in the efficiency of the Government's payment processes through the use of direct deposit and electronic advices, contributes to the best use of public funds. This is an ongoing program that started in 2007-08. In the seven years that the measure has been reported, direct deposits have increased from 38 per cent to 68 per cent. Commencing in 2011-12 electronic advices were offered as an option to paper. Currently 11 per cent of the advices are distributed electronically.

The Ministry continues to pursue the elimination of cheques and paper advices. The uptake of both these initiatives is dependent on acceptance by suppliers. The use of electronic advices is also limited by the availability and use of the internet by suppliers.

Direct Deposit and Electronic Advice Usage for Supplier Payments

Source: Ministry of Finance

2013 - 14 Financial Overview

Ministry of Finance Appropriation and Expense

(in thousands of dollars)

Program	2012-13 Actual	2013-14 Budget	2013-14 Actual	2013-14 Variance	Variance
Central Management and Services	$6,256	$6,396	$6,064	($332)	1
Treasury and Debt Management	$1,916	$2,331	$1,884	($447)	2
Provincial Comptroller	$12,691	$11,778	$9,962	($1,816)	3
Budget Analysis	$4,968	$5,302	$5,190	($112)	
Revenue	$26,579	$26,337	$26,478	$141	
Revenue Division	$14,430	$15,025	$13,798	($1,227)	4
Allowance for Doubtful Accounts	$1,100	$1,100	$1,100	$0	
CRA Income Tax Administration	$1,212	$1,212	$1,512	$300	5
Commission to Collect Tax (Statutory)	$9,837	$9,000	$10,068	$1,068	6
Personnel Policy Secretariat	$411	$516	$485	($31)	
Research and Development Tax Credit	$24,941	$15,000	$34,689	$19,689	7
Miscellaneous Payments	$24	$140	$22	($118)	
Bonding of Public Officials	$21	$65	$21	($44)	
Unforeseen and Unprovided For	$3	$50	$1	($49)	
Implementation of Guarantees (Statutory)	$0	$25	$0	($25)	
Pension and Benefits	$285,262	$291,076	$289,480	($1,596)	
Public Service Superannuation Plan (Statutory)	$131,707	$134,455	$131,478	($2,977)	8
Members of the Legislative Assembly – Pensions and Benefits (Statutory)	$2,910	$2,772	$2,333	($439)	9
Judges' Superannuation Plan (Statutory)	$4,238	$4,509	$4,907	$398	10
Public Employees Pension Plan	$59,367	$59,857	$62,313	$2,456	11
Canada Pension Plan – Employer's Contribution	$28,021	$28,811	$28,306	($505)	12
Employment Insurance – Employer's Contribution	$13,138	$14,121	$13,906	($215)	12
Workers Compensation – Employer's Assessment	$9,292	$9,355	$9,258	($97)	
Employees' Benefits – Employer's Contribution	$35,550	$35,812	$35,623	($189)	12
Services to Public Service Superannuation Plan Members	$1,039	$1,384	$1,357	($27)	
Public Employees Benefits Agency Revolving Fund – Subsidy	$0	$0	$0	$0	
Appropriation	$363,048	$358,876	$374,254	$15,378	
Less: Capital Asset Acquisitions	($1,624)	$0	$0	$0	
Add: Capital Asset Amortization	$1,425	$988	$606	($382)	13
Expense	$362,849	$359,864	$374,860	$14,996	

Overview of Ministry Expense

In 2013-14, the Ministry had expenses of $374.9 million, an increase of $15 million from the Budget Estimate of $359.9 million. Excluding pensions and benefits, the Ministry spent $85.4 million, an increase of $16.6 million from the Budget Estimate of $68.8 million primarily due to higher-than-budgeted Research and Development Tax Credit costs for the 2012 tax year (which impact the 2013-14 fiscal year), offset by salary savings due to vacancies and savings in other operating expenses. Special warrant funding of $20.9 million was received by the Ministry to fund these increases.

Spending for pensions and benefits was $289.5 million, a decrease of $1.6 million from the Budget Estimate of $291.1 million. This decrease was due to lower-than-anticipated costs under the Public Service Superannuation Plan and MLA Pensions and Benefits, as well as salaries across Government being lower than anticipated. These decreases were partially offset by higher-than-anticipated costs under the Public Employees Pension Plan and the Judges Superannuation Plan.

Explanation of Major Variances:

1. Lower-than-anticipated accommodation costs and central information technology costs.
2. Lower-than-anticipated bank service charges, custodian fees, and system consulting and support costs.
3. Savings due to vacancy management and reduced overtime, as well as reduced central financial system support and consulting costs.
4. Vacancy management savings and deferral of central revenue system upgrades due to potential replacement.
5. Increased administration fees and taxable assessments and additional tax credit services.
6. Number of Provincial Sales Tax vendors increased more than anticipated.
7. Higher-than-anticipated Research and Development Tax Credit costs for 2012 tax year.
8. Lower-than-anticipated superannuation allowances paid to retirees, marital breakdowns and death benefits.
9. Lower-than-anticipated costs due to decrease in the Supplementary Retirement Plan.
10. Increased costs mainly due to more retirements than anticipated.
11. Increase in government matching rate from 7.25% to 7.5% as per new collective bargaining agreement.
12. Lower-than-anticipated salaries across Government.
13. Amortization expense lower-than-anticipated due to some assets now being fully amortized.

Ministry of Finance Revenue

(in thousands of dollars)

Source	2013-14 Budget	2013-14 Actual	2013-14 Variance
Corporation Income Tax	$986,800	$1,017,188	$30,388
Fuel Tax	$526,100	$509,814	($16,286)
Individual Income Tax	$2,445,500	$2,470,056	$24,556
Provincial Sales Tax	$1,401,400	$1,326,403	($74,997)
Tobacco Tax	$295,300	$276,234	($19,066)
Other Taxes	$328,500	$337,283	$8,783
Taxes	$5,983,600	$5,936,978	($46,622)
Resource Surcharge	$488,800	$436,868	($51,932)
Non-Renewable Resources	$488,800	$436,868	($51,932)
Crown Investments Corporation of Saskatchewan	$180,000	$180,000	$0
Special Dividend	$16,600	$19,379	$2,779
Saskatchewan Liquor and Gaming Authority	$491,800	$491,302	($498)
Other Enterprises and Funds	$26,400	$20,751	($5,649)
Transfers from Crown Entities	$714,800	$711,431	($3,369)
Interest, Premium, Discount and Exchange	$88,237	$94,192	$5,955
Motor Vehicle Fees	$183,300	$188,428	$5,128
Other Licenses and Permits	$112	$102	($10)
Sales, Services and Service Fees	$20	$20	$0
Other	$4,166	$6,655	$2,489
Other Revenue	$275,835	$289,397	$13,562
Canada Health Transfer	$959,200	$960,348	$1,148
Canada Social Transfer	$377,900	$388,877	$10,977
Other	$10,287	$10,248	($39)
Transfers from the Federal Government	$1,347,387	$1,359,473	$12,086
Total Ministry of Finance Revenue	$8,810,421	$8,734,146	($76,275)

Overview of Ministry Revenue

The Ministry of Finance collects revenue relating to taxation, non-renewable resources via the Resource Surcharge, transfers from government entities, interest, premium, discount and exchange, motor licence fees, transfers from the federal government, and other smaller revenue sources. All revenue collected is deposited into the GRF.

In 2013-14, the Ministry collected $8.7 billion in revenue. This accounted for 76 per cent of total GRF revenue and was $76.3 million (0.9 per cent) lower than budget.

The following section describes the Ministry's revenue sources and includes variance explanations for changes greater than $10 million.

Explanation of Major Revenue Variances

Corporation Income Tax

Corporation Income Tax (CIT) is administered on the Province's behalf by the federal government using a common national determination of corporation taxable income. For a particular taxation year, the federal government makes installment payments to the Province on the basis of estimates, which are reconciled to actual assessments once tax returns for that taxation year have been filed. These reconciliations are accounted for approximately 15 months after the end of a taxation year (i.e. the adjustment payment for the 2012 taxation year was received by the GRF in the fourth quarter of 2013-14).

CIT revenue increased $30.4 million, or 3.1 per cent, from the Budget Estimate, due to an increase in the federal estimate of the national corporate tax base for the 2013 taxation year.

Fuel Tax

Fuel Tax is levied on purchases of all types of fuel under the authority of *The Fuel Tax Act, 2000*. The tax ranges from a fixed rate of 1.5 cents per litre on aviation fuel to 15 cents per litre on gasoline and diesel. Saskatchewan provides a 100 per cent exemption for farm-use diesel fuel and diesel fuel used by primary producers in their off-road activities, as well as an 80 per cent exemption for farm-use unleaded gasoline purchased at bulk-fuel dealers. On-reserve retailers are also eligible to receive a refund of the Fuel Tax on eligible purchases by First Nation individuals, as are commercial aircraft carriers that purchase fuel for international flights.

Fuel Tax revenue decreased $16.3 million, or 3.1 per cent, from the Budget Estimate, primarily due to the impact of the 2012-13 shortfall and lower than expected growth in the tax base.

Individual Income Tax

Saskatchewan's Individual Income Tax is administered on the Province's behalf by the federal government using a common national determination of taxable income. For a particular taxation year, the federal government makes installment payments to the Province on the basis of estimates, which are reconciled to actual assessments once tax returns for that taxation year have been filed. These reconciliations are accounted for approximately 15 months after the end of a taxation year (i.e. the adjustment payment for the 2012 taxation year was received by the GRF in the fourth quarter of 2013-14).

Individual Income Tax revenue increased $24.6 million, or 1.0 per cent, from the Budget Estimate, due to an increase in Saskatchewan's revenue base as a result of stronger population, employment and personal incomes than was previously anticipated.

Provincial Sales Tax

The Provincial Sales Tax (PST) rate is a five per cent sales tax applied to the purchase, importation, or rental of certain goods and services. The value of the Saskatchewan Low-Income Tax Credit ($86.3 million in 2013-14) is deducted from PST revenue.

PST revenue decreased $75 million, or 5.4 per cent, from the Budget Estimate, primarily due to lower-than-expected 2012-13 results and the resulting impact on the 2013-14 PST, higher-than-budgeted tax credits and lower-than-budgeted growth in the PST base.

Tobacco Tax

Tobacco Tax is levied on purchases of all types of tobacco under the authority of *The Tobacco Tax Act, 1998*. A component of Saskatchewan's Tobacco Tax is the refund available to on-reserve retailers for eligible purchases by First Nations individuals. On July 1, 2010, the weekly limit for on-reserve tax-free purchase of tobacco products by First Nations individuals was reduced to 200 cigarettes (one carton) from 600 cigarettes (three cartons).

Tobacco Tax revenue decreased $19.1 million, or 6.5 per cent, from the Budget Estimate, primarily due to lower than expected consumption following the introduction of a 4 cent tax increase per cigarette, tobacco stick and gram of cut tobacco effective March 21, 2013.

Other Taxes

Other Tax revenue collected by the Ministry of Finance includes Corporation Capital Tax (CCT), Liquor Consumption Tax (LCT), Insurance Premiums Tax, Motor Vehicle Insurance Tax, Fire Prevention Tax, Pari Mutual Tax and Succession Duties. CCT is a tax levied on Crown corporations and financial institutions on the amount of paid-up capital in excess of $10.0 million. An additional exemption of up to $10.0 million is available to corporations depending on the proportion of total wages and salaries that are paid in Saskatchewan. LCT is a 10 per cent tax on the total selling price of beer, wine and spirits. The various insurance taxes collected by the Ministry are primarily a levy on premiums, ranging from one to four per cent. *The Succession Duty Act* was repealed on January 1, 1977. Any revenue received is from prior to that date.

Resource Surcharge

The Resource Surcharge, levied under *The Corporation Capital Tax Act*, is charged against the value of resource sales of large resource corporations.

Resource Surcharge revenue decreased $51.9 million, or 10.4 per cent, from the Budget Estimate, primarily due to Lower-than-anticipated potash prices.

Crown Investments Corporation of Saskatchewan (CIC)

The regular CIC dividend is reviewed annually by Cabinet and the CIC Board, considering the financial requirements of both the GRF and the Crown corporations. Any special dividend paid by CIC to the GRF is generally related to a one-time event, such as to fund a specific project.

Saskatchewan Liquor and Gaming Authority

The Saskatchewan Liquor and Gaming Authority (SLGA) dividend to the GRF is based on the net income of the Authority. The SLGA is responsible for the distribution, operation and regulation of liquor and gaming activity in the province, including responsibility for the Saskatchewan Indian and Gaming Authority (SIGA). Dividends from SLGA consist of retail liquor net income, gaming (VLT) net income and SIGA net income.

Other Enterprises and Funds

Other Enterprises and Funds include dividends paid to the GRF by other government enterprises and special funds. This includes half of Saskatchewan Gaming Corporation (SGC) net income, combined with one-time dividends from other government entities.

Interest, Premium, Discount and Exchange

Revenue from this source includes interest received on bank deposits, sinking fund earnings, interest on advances, investments and accounts receivable and certain amounts recovered from Crown corporations.

Motor Vehicle Fees

Revenue from this source includes motor vehicle licences, fees and registrations, and is collected by Saskatchewan Government Insurance (SGI) on behalf of the Province. It does not include any insurance portion of vehicle plating costs.

Other Licences and Permits

Other Licences and Permits revenue consists of annual licence and decal fees collected from inter-jurisdictional truckers under the International Fuel Tax Agreement (IFTA).

Sales, Services and Service Fees

Sales, Services and Service Fees revenue at the Ministry of Finance consists of debt guarantee fees.

Other Revenue

Other revenue consists of all other recurring operational revenue not otherwise classified, including refunds of prior-years' expenditures, recovery of loans, and contributions by employees and others to retirement and insurance plans.

Canada Health Transfer

The Canada Health Transfer (CHT) assists provinces and territories in maintaining the national criteria and conditions in *The Canada Health Act*. Funding for the CHT is made up of cash payments from the federal government and tax point transfers to the provinces and territories.

CHT revenue increased $30.5 million, or 3.4 per cent, from the Budget Estimate, primarily due to a decrease in assumptions by the federal government for Saskatchewan's share of national corporate taxable income since budget. This leads to a decrease in value of tax points and a corresponding increase in CHT.

Canada Social Transfer

The Canada Social Transfer (CST) assists provinces and territories in providing post-secondary education, social assistance and social services, including early childhood development and early learning and child care. Funding for the CST is made up of equal per-capita cash payments from the federal government to the provinces and territories.

CST revenue increased $11 million, or 2.9 per cent, from the Budget Estimate, due to an increase in Saskatchewan's share of the national population as determined by Statistics Canada.

Other Transfers from the Federal Government

Other federal transfer revenue consists of a legislated subsidy from the Government of Canada, as well as various federal-provincial cost-sharing agreements, including federal funding for targeted initiatives that are funded via third-party trusts and one-time payments.

Revolving Funds

The Ministry is responsible for the Public Employees Benefits Agency Revolving Fund that accounts for the administration costs of the various pension plans and benefit programs administered by PEBA. The costs incurred by the Fund for providing services are allocated to, and reimbursed primarily by, various pension and benefit plans. For more information about this Fund please visit the following website: http://www.peba.gov.sk.ca/Agency/peba_ann_reports.html.

For More Information

If you have any questions or comments, please call 1-866-862-6246.

For additional copies of this Annual Report, call 306-787-6623.

Information on all Saskatchewan Finance programs and services, as well as this Annual Report, can be accessed at www.saskatchewan.ca/ministries/finance.

Contact Information

Saskatchewan Finance

2350 Albert Street

Regina, SK

S4P 4A6

Phone: (306) 787-6768

Fax: (306) 787-6576

www.saskatchewan.ca/ministries/finance

Public Employees Benefits Agency

1000 - 1801 Hamilton Street

Regina, SK

S4P 4W3

Phone: (306) 787-2992

Fax: (306) 787-0244

www.peba.gov.sk.ca

Consumption Tax Inquiries

Toll Free: 1-800-667-6102

Regina area: (306) 787-6645

Saskatchewan Bureau of Statistics

9th Floor

2350 Albert Street

Regina, SK

S4P 4A6

Phone: (306) 787-6327

Fax: (306) 787-6311

www.stats.gov.sk.ca

Appendix A: Senior Management Committee (as at March 31, 2014)

Clare Isman, Deputy Minister

Denise Macza, Associate Deputy Minister
Treasury Board Branch

Terry Paton, Provincial Comptroller
Office of the Provincial Comptroller

Brian Smith, Assistant Deputy Minister
Public Employees Benefits Agency

Margaret Johannsson, Assistant Deputy Minister
Revenue Division

Rae Haverstock, Assistant Deputy Minister
Treasury and Debt Management Division

Arun Srinivas, Executive Director
Taxation and Intergovernmental Affairs Branch

Joanne Brockman, Executive Director
Economic and Fiscal Policy Branch

Jeff Welke, Executive Director
Communications Branch

Don Zerr, Executive Director
Personnel Policy Secretariat

Jim Graham, Executive Director
Human Resources (Public Service Commission)

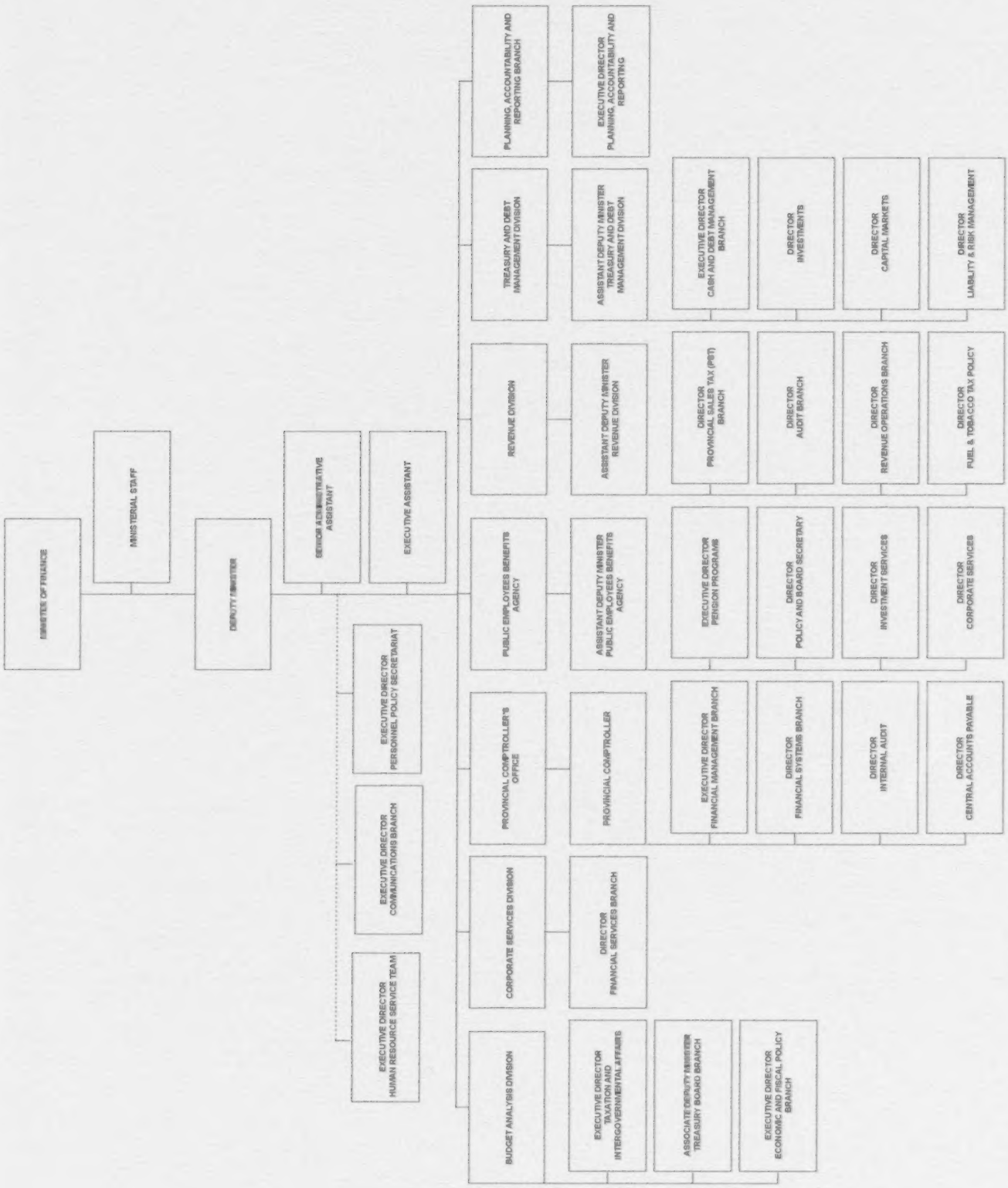
Deanna Bergbusch, Executive Director
Planning, Accountability and Reporting Branch

Brandee Murdoch, Acting Director
Financial Services Branch

Erin Kiefer, Executive Assistant to the Deputy Minister
Deputy Minister's Office

Dana Fauth, Senior Administrative Assistant
Deputy Minister's Office

Appendix B: Organizational Chart (as at March 31, 2014)


MINISTER OF FINANCE
MINISTERIAL STAFF
DEPUTY MINISTER
SENIOR ADMINISTRATIVE ASSISTANT
EXECUTIVE ASSISTANT
EXECUTIVE DIRECTOR HUMAN RESOURCE SERVICE TEAM
EXECUTIVE DIRECTOR COMMUNICATIONS BRANCH
EXECUTIVE DIRECTOR PERSONNEL POLICY SECRETARIAT
BUDGET ANALYSIS DIVISION
CORPORATE SERVICES DIVISION
PROVINCIAL COMPTROLLER'S OFFICE
PUBLIC EMPLOYEES BENEFITS AGENCY
REVENUE DIVISION
TREASURY AND DEBT MANAGEMENT DIVISION
PLANNING, ACCOUNTABILITY AND REPORTING BRANCH
EXECUTIVE DIRECTOR TAXATION AND INTERGOVERNMENTAL AFFAIRS
DIRECTOR FINANCIAL SERVICES BRANCH
PROVINCIAL COMPTROLLER
ASSISTANT DEPUTY MINISTER PUBLIC EMPLOYEES BENEFITS AGENCY
ASSISTANT DEPUTY MINISTER REVENUE DIVISION
ASSISTANT DEPUTY MINISTER TREASURY AND DEBT MANAGEMENT DIVISION
EXECUTIVE DIRECTOR PLANNING, ACCOUNTABILITY AND REPORTING
ASSOCIATE DEPUTY MINISTER TREASURY BOARD BRANCH
EXECUTIVE DIRECTOR FINANCIAL MANAGEMENT BRANCH
EXECUTIVE DIRECTOR PENSION PROGRAMS
DIRECTOR PROVINCIAL SALES TAX (PST) BRANCH
EXECUTIVE DIRECTOR CASH AND DEBT MANAGEMENT BRANCH
EXECUTIVE DIRECTOR ECONOMIC AND FISCAL POLICY BRANCH
DIRECTOR FINANCIAL SYSTEMS BRANCH
DIRECTOR POLICY AND BOARD SECRETARY
DIRECTOR AUDIT BRANCH
DIRECTOR INVESTMENTS
DIRECTOR INTERNAL AUDIT
DIRECTOR INVESTMENT SERVICES
DIRECTOR REVENUE OPERATIONS BRANCH
DIRECTOR CAPITAL MARKETS
DIRECTOR CENTRAL ACCOUNTS PAYABLE
DIRECTOR CORPORATE SERVICES
DIRECTOR FUEL & TOBACCO TAX POLICY
DIRECTOR LIABILITY & RISK MANAGEMENT

Appendix C: Public Employees Benefits Agency

The Public Employees Benefits Agency (Agency) administers 11 pension plans, one annuity fund, and 20 benefit plans for the Saskatchewan public sector and its retirees. The Agency operates on a revolving fund basis and allocates operating costs to the plans that incur the expenses. Financial statements of this revolving fund are available online in its annual report at www.peba.gov.sk.ca.

Total assets of the plans administered by the Agency are approximately $7.0 billion. Combined, the pension, retirement and annuity fund have approximately 85,000 members. The Agency has three primary client groups: plan members and their unions; boards and commissions that oversee the plans; and the plan members' employers. Each group depends on the Agency to provide quality service including accurate and timely information, as well as efficient transaction processing.

The Public Employees Benefits Agency administers the following pension and benefit plans:

Pension Programs

Anti-Tuberculosis League Employees Superannuation Plan

Judges of the Provincial Court Superannuation Plan

Saskatchewan Liquor Board Superannuation Plan

Members of the Legislative Assembly Benefits

Municipal Employees' Pension Plan

Public Employees Pension Plan

Additional Pension Contribution Plan

Public Service Superannuation Plan

Saskatchewan Pension Annuity Fund

Saskatchewan Transportation Company Employees Superannuation Plan

Pension Plan for the Employees of the Saskatchewan Workers' Compensation Board

The Power Corporation Superannuation Plan

Benefit Programs

Additional Pension Contribution Plan

Public Employees Deferred Salary Leave Plan

Extended Health Care Plan

Extended Health Care Plan for Retired Employees

Extended Health Care Plan for Certain Other Employees

Extended Health Care Plan for Certain Other Retired Employees

Public Employees Dental Fund

Public Employees Disability Income Plan

Public Employees Group Life Insurance Plan

Public Employees Benefits Agency Revolving Fund

The Government of Saskatchewan Scheduled Aircraft Plan

The Government of Saskatchewan Unscheduled Aircraft Plan

The Government of Saskatchewan and Canadian Union of Public Employees Local No. 600-3 and No. 600-5 Benefits Plans Surplus Fund

The Government of Saskatchewan and Saskatchewan Government and General Employees' Union Benefit Plans' Surplus Fund

Additional Benefit Plans Administered for Employers

The SaskPower Supplementary Superannuation Plan
Saskatchewan Government Insurance Service Recognition Plan
SaskPower Designated Employee Benefit Plan
Saskatchewan Water Corporation Retirement Allowance Plan
Water Security Agency Retirement Allowance Plan
SaskEnergy Retiring Allowance Plan
SaskPower Severance Pay Credits Plan
SaskPower Millennium RRSP

Appendix D: Publications List

All Saskatchewan Finance publications can be accessed at: www.finance.gov.sk.ca

Ministry of Finance Annual Report

The Annual Report presents the Ministry's activities and results for the fiscal year. It reports to the public and elected officials on public commitments made and other key accomplishments of the Ministry.

Ministry Plan

The Ministry Plan demonstrates how the Ministry aligns with Government's goals and presents a high level framework for the Ministry's activities. Contained in the Plan are the strategies and actions that will be pursued in the upcoming year, performance measures to gauge progress and a financial summary.

Budget Documents and Backgrounders[1]

These provide financial details of the annual Provincial Budget. The main documents include the Budget Summary Book, Estimates and Supplementary Estimates.

Budget Summary Book

The Budget Summary Book provides an overall view of the Provincial Budget. It includes financial tables, as well as program highlights for the upcoming year.

Estimates

The Estimates represent the Government's financial plan for the General Revenue Fund presented to the Legislative Assembly for the fiscal year commencing April 1, and ending on March 31 of the following year. The Estimates outline the estimated expenditures, revenues, loans and investments of the General Revenue Fund categorized in a manner to inform both the Members of the Legislative Assembly and the public. The Estimates are presented in accordance with *The Financial Administration Act, 1993*.

Supplementary Estimates

The Supplementary Estimates represent additional funding provided to ministries subsequent to the passage of the Main Appropriation Bill that supplied funding as specified in the Budget Estimates. Supplementary Estimates are prepared and presented to the Legislative Assembly pursuant to section 14 of *The Financial Administration Act, 1993*, and include any funding provided by special warrant during the fiscal year.

First Quarter Financial Report

This report offers details of the Government's financial picture on a General Revenue Fund basis as of the first quarter (April, May, June) of the fiscal year, compared to Budget. This report is usually published within 60 days of end of first quarter.

Mid-Year Report

Details of the Government's financial picture are provided on a General Revenue Fund basis as of the second quarter (April - September) of the fiscal year, compared to Budget and First Quarter. An update on the Summary Financial Statement tables is also provided compared to Budget. This report is tabled in the Legislative Assembly on or before November 30th of the fiscal year to which it pertains.

Third Quarter Financial Report

This report presents details of the Government's financial picture on a General Revenue Fund basis as of the third quarter (April - December) of the fiscal year, compared to Budget and Mid- Year. This report is usually published within 60 days of end of third quarter.

1. *While the GRF remains an important component of the SFS, the Government released the 2014-15 Budget on a summary basis only.*

Public Accounts Documents

Volume 1

For 2012-13 and prior years' Public Accounts, Volume 1 contained the General Revenue Fund financial statements and the Summary Financial Statements, Financial Statements Discussion and Analysis (FSD&A), and information on the Growth and Financial Security Fund and the Province's debentures. Beginning with the 2013-14 Public Accounts, Volume 1 will contain only the Summary Financial Statements and related FSD&A. Volume 1 is usually published in June.

Volume 2

Volume 2 of the Public Accounts provides detailed information on revenues and expenses of the General Revenue Fund, information on the trust funds administered by the Government and a listing of remissions of taxes and fees. Beginning with the 2013-14 Public Accounts, Volume 2 will also include a reconciliation of the Summary Financial Statements and GRF results, and information on the Growth and Financial Security Fund and the Debt Retirement Fund. Volume 2 is usually published in October.

Compendium

The Compendium contains the financial statements of various boards, agencies, commissions, pension plans, special purpose funds and institutions, as well as those Crown corporations which are accountable to Treasury Board.

Tax Information Bulletins and Forms

The Revenue Division of the Ministry of Finance prepares a number of information bulletins and forms about the taxes and programs administered.

This information explains how the Provincial Sales Tax, Fuel Tax, Tobacco Tax, Corporation Capital Tax, Liquor Consumption Tax, and other taxes apply in specific situations.

Financial Administration Manual

The Financial Administration Manual (FAM) communicates Treasury Board's policies and the Provincial Comptroller's directives to ministries and public agencies. These financial policies and directives are made pursuant to *The Financial Administration Act, 1993*. FAM contains information to assist ministries and public agencies in controlling, managing and accounting for government financial resources.

Natural Account Manual

The Natural Account Manual provides information on the asset, liability, equity, revenue and expense accounts available for use in MIDAS (the government's central financial system).

Frequently Asked Questions About Government Payment Authorities

This document offers guidance about Government payment processes to those involved with initiating, approving or processing government payments. It is intended to be used by deputy ministers and other senior managers, program managers and executive directors/directors of administration and their staff.

Australian Medium-Term Note Information Memorandum

The AMTN Programme enables the Province to issue debt instruments in the Australian capital market.

Annual Report of the Province of Saskatchewan on Form 18K

The Annual Report is a disclosure document filed with the United States Securities and Exchange Commission, which provides an overview of the economic and fiscal position of the Province.

Saskatchewan Bureau of Statistics

All Saskatchewan Bureau of Statistics publications can be accessed at: www.stats.gov.sk.ca

Saskatchewan Provincial Economic Accounts

This provides annual detailed data of the Saskatchewan economy in terms of Gross Domestic Product and other relevant macro-economic indicators.

Economic Review

It is an annual compendium, which includes the most asked questions relating to Saskatchewan statistics, including data on agriculture, business, employment, investment and population.

Monthly Statistical Review

The monthly reviews provide up-to-date economic and social statistics relating to Saskatchewan.

Saskatchewan Fact Sheet

This is an annual snapshot which presents important Saskatchewan economic and social statistics for the previous two years in both English and French.

Labour Force Survey

Tables and information contained in this monthly document provide labour force and employment data from the Statistics Canada Labour Force Survey.

Consumer Price Index

This document is produced monthly and provides tables reflecting consumer price data from the Statistics Canada Consumer Price Index.

Quarterly Population Report

This quarterly report presents tables which provide population and demography data from the Statistics Canada Demography Division.

Census and National Household Survey Reports

The Census and National Household Survey (NHS) Reports provide information from the 2011 Canada Census and 2011 NHS.

Public Employees Benefits Agency (PEBA)

PEBA operates as a central body within the Ministry of Finance to administer pension and benefit programs for employees of Executive Government, Crown corporations and government funded bodies. All its publications listed below can be accessed through www.peba.gov.sk.ca

PEBA Annual Reports

Annual Reports provide information about the Plan's operations, membership, and administrative expenses and include financial statements for the year. PEBA produces 23 annual reports.

Acceptable Documentation

This document outlines the documentation that PEBA will use in administering the pension and benefit programs that the Agency is responsible for.

Statement of Investment Policies (SIG&P; SIP&P)

The following policy documents outline parameters around the investment of the various plans' assets, setting rate of return standards, asset mix guidelines and risk tolerance. Documents are used by various fund managers to manage the plans' assets. The boards and commissions use this to evaluate the manager's performance. These documents are reviewed and updated within an 18-month period.

- **Municipal Employees' Pension Plan (MEPP)**

  Statement of Investment Policies and Procedures (as of November 2013)

- **Public Employees Benefits Agency Disability Income Plan**

  Statement of Investment Policies and Goals (as of December 2013)

- **Public Employees Pension Plan (PEPP)**

  PEPP Statement of Investment Policies and Goals (as of March 2012)

- **The Saskatchewan Pension Annuity Fund**

  Statement of Investment Policies and Goals (as of March 2012)

- **Saskatchewan Transportation Company Superannuation Plan**

  Statement of Investment Policies and Goals (as of March 2014)

- **Public Employees Benefits Agency Group Life Insurance Plan**

  Statement of Investment Policies and Goals (as of November 2013)

- **Saskatchewan Liquor Board Superannuation Plan**

  Statement of Investment Policies and Goals as of (November 2013)

Member Newsletters

The newsletters provide current information to members about Plan provisions, proposed changes to legislation, regulations and administrative matters and address topics of interest to members (i.e., retirement planning, risk management, investments and the pension industry).

- **Public Employees Pension Plan (PEPP) – Pension Perspectives**

  These are produced four times each fiscal year.

- **Municipal Employees' Pension Plan (MEPP) – MEPP Matters**

  These are presented twice each fiscal year.

Member Booklets

Member Booklets contain detailed information concerning the various plans offered and the benefits available to the members. These are a valuable resource to all Plan members, so that they know their exact entitlements under the various plans. These booklets are produced for the following plans:

- Public Employees Pension Plan
- Municipal Employees' Pension Plan
- Public Service Superannuation Plan
- Public Employees Group Life
- Public Employees Disability Income Plan
- Public Employees Dental Plan
- Public Employees Deferred Salary Leave Plan
- Extended Health Care Plan PS/GE SGEU Retiree Booklet
- Extended Health Care Plan CUPE 600-3 Retiree Booklet
- Extended Health Care Plan (Management) Retiree Booklet
- Extended Health Care Plan Booklet PS/SGEU and CUPE 600-3
- Extended Health Care Plan for Certain Other Employees Out-of-scope (Management) Booklet

Employer Bulletins

Bulletins notify employers about legislation, regulations, and administrative changes affecting the Plan, as well as new services being offered to the members or procedural changes. These bulletins are produced quarterly for PEPP and MEPP.

Information Sheets

Information sheets present detailed information on specific topics related to Plan provisions. The are provided for the following Plans:

- **Public Employees Pension Plan (PEPP)** – PEPP Talks
- **Municipal Employees' Pension Plan (MEPP)** – MEPP In-Depths
- **Public Service Superannuation Plan (PSSP)** – Info Sheets

Employer Administration Guides (PEPP)

These guidelines assist employers in performing their responsibilities necessary for the administration of the Plan.

Employer Administration Guide (MEPP)

The manual provides instructions to employers regarding administrative and reporting procedures.

Employer Defined Benefit Administration Guide

The guide offers instructions to employers regarding administrative and reporting procedures.

Fund Fact Sheets (PEPP)

These are produced semi-annually for each of PEPP's investment options. The Fund Fact Sheets present an overview of each investment option are include information about the fund's asset allocation, fees, rate of return, investment managers, and risk profile.

Actuarial Valuations (MEPP)

An actuarial valuation is conducted every year. An actuarial valuation report is filed once every three years and posted on the website. The most recent report filed is as at December 31, 2010 on The Annuities Underwritten by the Municipal Employees' Pension Plan.

Pension Adjustment Guides

The guides are available for MEPP and PSSP – they assist users in calculating and reporting Pension Adjustments.

Public Employees Dental Plan – Maximum Reimbursement Schedules (MRS)

These schedules list the codes and the cost for each procedure that is covered in the Plan. The schedules are updated every year, usually in January.

Appendix E: Legislation

Under Order-in-Council No. 433/2013 dated July 31, 2013, the Minister of Finance is

responsible for the following Acts of the Legislative Assembly:

Certified General Accountants Act, 1994
Certified Management Accountants Act
Certified Management Consultants Act
Chartered Accountants Act, 1986
Corporation Capital Tax Act
Federal-Provincial Agreements Act
Financial Administration Act, 1993
Fuel Tax Act, 2000
Growth and Financial Security Act
Home Energy Loan Act
Income Tax Act
Income Tax Act, 2000
Insurance Premiums Tax Act
Liquor Consumption Tax Act
Management Accountants Act
Members of the Legislative Assembly Benefits Act
Motor Vehicle Insurance Premiums Tax Act
Municipal Employees' Pension Act
Municipal Financing Corporation Act
Political Contributions Tax Credit Act
Provincial Auditor Act
Provincial Sales Tax Act
Public Employees Pension Plan Act
Public Service Superannuation Act
Revenue and Financial Services Act
Saskatchewan Pension Annuity Fund Act
Saskatchewan Pension Plan Act
Statistics Act
Superannuation (Supplementary Provisions) Act
Tabling of Documents Act, 1991
Tobacco Tax Act, 1998

Although not listed in the Order-in-Council, the Minister is also responsible for *The Appropriation Act*. Furthermore, the Ministry has responsibilities under the following legislation:

Fire Prevention Act, 1992
Liquor Board Superannuation Act
Provincial Court Act, 1998
Public Health Act, 1994
Saskatchewan Assistance Act

Appendix F: Glossary of Terms

Accountability Framework

The Accountability Framework is Government's performance management framework that supports stronger management practices and leads to improved accountability in public sector organizations.

Saskatchewan's Accountability Framework, adopted in 1999, was built on a solid foundation of principles that are common to other jurisdictions that have implemented a 'managing for results' approach. The three main components of the Accountability Framework are planning, performance management and reporting.

Appropriation

An amount of funding that the Legislative Assembly has authorized for a particular purpose.

Credit Rating

An evaluation of the ability and willingness of a borrower to service and repay debt in a timely manner. Credit ratings are a key factor in determining the cost and availability of credit to a borrower. Borrowers with lower credit ratings pay more to lenders or investors than those with a higher rating. Many investors, such as pension funds, have guidelines restricting their lending to only those borrowers with above a minimum standard (level) credit rating.

Debt Servicing Costs

Costs associated with the Province's debt incurred for general government purposes and for a portion of the public debt reimbursable from Crown corporations. The costs include interest, foreign exchange gains and losses, discounts, premiums, fees, commissions and other debt-related costs.

Estimates

The document that is prepared and tabled with the Legislative Assembly pursuant to subsection 12(1) of *The Financial Administration Act, 1993*. This document reflects the Government's detailed financial plan for the GRF and is traditionally tabled with the Budget.

Expense

The cost of goods and services acquired in the fiscal year whether or not payment has been made, including interest on debt and transfer payments made or due. Expense also includes the cost of amortizing (depreciating) capital assets.

Expenditure

The cost of goods and services acquired in the fiscal year whether or not payment has been made, including capital acquisitions, interest on debt and transfer payments made or due. Budgetary expenditure is synonymous with expense except budgetary expenditures include capital acquisitions whereas expense reflects the amortization (depreciation) of capital. Nonbudgetary expenditures are outlays by the GRF to provide for a loan, advance or investment.

Financial System

Any system, manual or computerized, used to report or process transactions or data related to revenues, expenditures, assets or liabilities.

Fiscal Year

The period commencing on April 1 in one calendar year and ending on March 31 in the following calendar year.

General Revenue Fund (GRF)

The fund into which all revenues are paid, unless otherwise provided for by legislation, and from which all expenditures are appropriated by the Legislative Assembly.

Gross Debt

The gross debt of the Province consists of money owed directly to lenders through the sale of short-term promissory notes and medium and long-term debentures in the capital markets, as well as the amount owed to holders of Saskatchewan Savings Bonds.

Guaranteed Debt

The debt of Crown corporations and others that the Province has promised to repay if the debt issuer is unable to do so.

Ministry

An organizational unit of Executive Government created for the purpose of managing related programs.

Performance Measurement

Performance measurement is a process of defining performance measures or indicators to assess progress towards achieving the outcomes articulated in a strategic plan. Measurement results are analyzed, and reported, and the knowledge gained is used by the organization to modify and improve future activities.

Public Accounts

The Public Accounts of the Government of Saskatchewan are organized into two reports.

Volume 1 contains the financial statements of the Government of Saskatchewan and a related Financial Statements Discussion and Analysis.

Volume 2 contains details on revenue and expenditure of the General Revenue Fund, financial information on the superannuation and trust funds administered by the Government, and a listing of remissions of taxes and fees. Beginning with the 2013-14 Public Accounts, Volume 2 will also include a reconciliation of the Summary Financial Statements and GRF results, and information on the Growth and Financial Security Fund and the Debt Retirement Fund.

Public Performance Results Reporting

The mechanism that Government uses to communicate with the public on the achievements of ministries for a specific time period, compared to the intended results laid out in plans that are typically released with the budget. Ministries are required to prepare plans and report on their financial and non-financial performance within their annual report.

Revenue

The gross proceeds applicable to a fiscal year received from taxes, licences, transfer payments and sources other than borrowing.

Revolving Funds

Revolving funds, which are established by statute, are used to isolate certain items of related revenue and expense and are net-budgeted in the Estimates. Revolving funds are used to account for specific government operations that recover all or a portion of the associated costs from the funds' users. Revenue generated by a revolving fund's activities is used to finance further operations that in turn generate further revenue, hence the term "revolving".

Sinking Funds

Funds set aside to provide for the orderly retirement of a portion of the Province's debt.

Strategic Planning

Strategic planning is a practical, action-oriented process that sets goals and allocates resources to achieve meaningful results over time. Plans describe the outcomes that the organization intends to achieve over the planning period and the key actions that will be taken in the short term to move the organization toward its desired outcomes.

Summary Financial Statements

The Summary financial statements report on the consolidated financial resources and activities of the General Revenue Fund (GRF), and other organizations that are controlled by the Government, including government boards, agencies, commissions, funds and Crown corporations.

Total Debt

The total debt of the General Revenue Fund consists of:

- gross debt – the amount of money owed to lenders; plus
- guaranteed debt – the debt of Crown corporations and others that the Province has promised to repay if they are unable to do so; less
- sinking funds – the amount of money which has been set aside for the repayment of debt.

Transfers

Transfers are payments by the Government to an individual, organization, authority or other government for which no goods or services are directly received by Government and no repayment is expected in the future.

Transfers for Public Service

Payments from the GRF to entities to provide a public service. Examples of transfers are payments to provide educational services or payments to doctors to provide medical services. These transfers may be in the form of grants, conditional grants, cost-shared arrangements or entitlements under legislation.

Transfers to Individuals

Payments from the GRF made directly or indirectly to individuals for which no public service is required in return. These transfers provide the recipient with a financial benefit and are usually in the nature of an income support, subsidy or compensation payment. These transfers may be income-tested.